



ENERGY ASSURANCE DAILY

Friday Evening, August 22, 2008

Major Developments

Update: Baku-Tbilisi-Ceyhan Pipeline Resumes Normal Flows August 22

According to an official from the Turkish Energy Ministry, the 1 million b/d Baku-Tbilisi-Ceyhan pipeline, which transports oil from Azerbaijan through Georgia to Turkey's Mediterranean coast, resumed normal flows August 22 after a fire halted exports on August 5. BP said that volumes of oil through the line will be ramped up over the weekend and tanker loadings at the terminal in Ceyhan will begin August 25. A Ceyhan loading schedule shows that exports from Ceyhan are expected to average 868,155 b/d from August 25 to September 14. BP did not say when it would restart its 100,000 b/d Baku-Supsa pipeline, which runs from Azerbaijan to a Georgia's Black Sea coast. The pipeline was shut down due to security concerns in Georgia amid fighting between Russia and Georgia. Bloomberg News, 11:07 August 22, 2008
Reuters, 12:54 August 22, 2008

Electricity

Update: 156,000 Customers without Power as Tropical Storm Fay Continues to Pummel Northeastern Florida August 22

Tropical Storm Fay continued to pummel northeastern Florida and southeastern Georgia August 22, disrupting the power systems of several area utilities. As of 3:30 PM EDT, approximately 155,898 customers were reported without power in Florida by JEA, Florida Power & Light (FPL) and Progress Energy. The utility with the largest current outages, JEA, was still waiting for an assessment of system damage before estimating a time for full restoration. A note on FPL's website said it expected outage numbers to continue to fluctuate as customers are restored and new outages are experienced due to Tropical Storm Fay's movement across its service territory. In addition to the Florida outages, approximately 5,300 Georgia Power customers were reported without power in Georgia early this morning.

Tropical Storm Fay Customer Power Outages			
August 22, 2008			
Electric Utility	State	9:30 AM EDT	3:30 PM EDT
JEA	Florida	84,930	81,972
Florida Power & Light (FPL)	Florida	44,390	27,210
Progress Energy	Florida	24,457	46,716
TOTAL*		153,777	155,898

*Total outages only represent electric utilities listed in this table.

Sources: <http://www.jea.com/>

http://www.fpl.com/storm/customer_outage.shtml

<http://www.progress-energy.com/shared/outages/fla/index.html>

<http://www.wsav.com/midatlantic/sav/news.apx.-content-articles-SAV-2008-08-22-0011.html>

Update: Progress Energy's 900 MW Harris Nuke Unit 1 in North Carolina at Full Power by August 22

The Nuclear Regulatory Commission reported that on the morning of August 21 the unit was operating at 7 percent. The unit was shut on August 11 to fix a condenser leak.

Reuters, 08:06 August 22, 2008

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Indiana-Michigan Power's 1,060 MW D.C. Cook Nuke Unit 2 in Michigan Returns to Full Power by August 22

On the morning of August 21 the unit was operating at 26 percent after exiting an outage. The unit shut on August 16 for maintenance on the turbine control system.

Reuters, 08:07 August 22, 2008

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

OPPD's 478 MW Fort Calhoun Nuke Unit in Nebraska Shut August 21

The unit was idled yesterday evening so that workers could make adjustments to a rubber boot covering an electrical connection that links to the main transformer. This morning, OPPD was ramping up the unit and expected to reconnect to the grid by 10:00 AM local time.

Bloomberg News, 14:13 August 22, 2008

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington Shut August 22

The reactor shut on the afternoon of August 22 during checks for leaks on the reactor feedwater turbines. The Nuclear Regulatory Commission reported that on the morning of August 21 the unit was operating at 85 percent.

Reuters, 13:34 August 22, 2008

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Petroleum

Update: 80-90 Gas Stations Out of Fuel in Alberta and British Columbia

Approximately 80 to 90 Petro-Canada gas stations in the Alberta and British Columbia did not have fuel due on August 22 due to a mechanical breakdown of the catalytic cracking unit at the company's Edmonton, Alberta refinery. The breakdown occurred on August 3 and Petro-Canada gas stations begin experiencing outages a week later. According to a company spokeswoman, many of the affected stations won't begin receiving fuel supplies until the refinery is up and running in a week or more. About 120 employees are working around the clock to fix the problem at the refinery. Petro-Canada is sourcing additional gasoline from other refineries in other parts of Canada.

<http://www.canada.com/theprovince/news/story.html?id=ed22d8ef-ccfe-424c-9ad1-d71f2e8ac231>

http://www.canadianbusiness.com/markets/market_news/article.jsp?content=b0821137A

Update: At Least 1 Fairbanks Area Gas Station Out of Fuel in Alaska

A least one Fairbanks area gas station was out of fuel August 22 after a slowdown in operations at Flint Hills 220,000 b/d North Pole Refinery. A company spokesman said the refinery is running but is experiencing operational problems that affect gasoline production. The company is attempting to secure additional gasoline supply from other sources to help meet demand.

<http://www.adn.com/news/alaska/story/501777.html>

Update: Total Restarting Isomerization Unit at 232,000 b/d Port Arthur, Texas Refinery August 22

According to a filing with Texas regulators, Total is restarting the unit following an economic shutdown. Traders said Total shut several units at the refinery in July due to poor refining margins.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=112826>

<http://www.reuters.com/articlePrint?articleId=USN2237733920080822>

BP to Restart RHU Train at 400,000 b/d Texas City, Texas Refinery August 22

According to a filing with Texas regulators, BP will try again to restart the 300 train of a residual hydrotreating unit (RHU) at the refinery after a previous attempt failed. The filing said BP was preparing the train for startup between August 22 and September 12.

Reuters, 08:15 August 22, 2008

Process Unit Upset at Valero's 340,000 b/d Corpus Christi, Texas Refinery August 21

The process unit upset lasted for approximately two hours.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=112938>

Pittsburgh Terminal Corp. Recalls Potentially Explosive Kerosene

Pittsburgh Terminal Corp. issued a recall on August 20, saying that kerosene it sold to distributors through the summer might contain enough gasoline to cause an explosion when used in a kerosene-burning device. Pittsburgh Terminal distributes kerosene to western Pennsylvania, southwestern New York, Maryland and eastern Ohio.

<http://www.goerie.com/apps/pbcs.dll/article?AID=/20080821/NEWS02/808210407>

Update: Libya Reduces Oil Output ‘A Little Bit’ After Storage Tank Fire

The Chairman of Libya’s Nation Oil Corporation said that a fire at a 500,000 barrel crude oil storage tank in Ras Lanuf, the site of Libya’s largest oil refinery, has forced the country to reduce oil production by “a little bit.” The fire, which broke out August 19 during maintenance work, is still not out.

Reuters, 12:53 August 22, 2008

BP Still Plans to Expand BTC Pipeline to 1.2 Million b/d Despite Explosion

<http://www.platts.com/Oil/News/8975435.xml?p=Oil/News&sub=Oil>

Crude Oil Prices Fall More than 5 Percent August 22

Crude oil prices traded down as much as \$7, more than 5 percent, on August 22. At around 3:30 PM EDT, the crude oil spot price was \$114.48 per barrel, down from \$121.23 the previous day. Media sources cited a stronger U.S. dollar, expectations of rising OPEC output and profit-taking as reasons for the drop.

Reuters, 14:42 August 22, 2008

Natural Gas

Nothing to report.

Other News

Update: Tropical Storm Fay Closes Ports of Canaveral and Jacksonville

As of 10:00 AM EDT, August 22, the ports of Canaveral and Jacksonville were closed to all operations. The two ports are important terminals for petroleum products.

http://www.floridadisaster.org/eoc/eoc_Activations/Tropical08/Reports/082208_Incident%20Situation%20Report_Number12.pdf

http://tonto.eia.doe.gov/state/state_energy_profiles.cfm?sid=FL

Safety Concerns Keep Sentinel Coal Mine in West Virginia Shut

International Coal Group’s Sentinel mine in West Virginia remains shut after an August 12 accident injured three miners. Repairs are being made to the mine but an official said he had no estimate to when the mine will reopen but said it could be as early as this weekend. The mine, which produces both metallurgical and steam coal, produced just over 773,000 short tons in 2007.

<http://www.platts.com/Coal/News/6940807.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices			
August 22, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	114.48	111.47	69.63
NATURAL GAS Henry Hub \$/Million Btu	7.98	8.15	5.84

Source: Reuters

Energy Notes

Brief Power Outage Affects 8 Buildings in Co-Op City High Rise Complex in New York City August 22

Reuters, 12:06 August 22, 2008

Administrative Law Judges Recommend Pennsylvania PUC Deny Allegheny Energy Permit to Build PA section of 500 kV Pennsylvania-Virginia Power Line

<http://www.muncyluminary.com/oniWire/oniWireDetails.asp?articleID=57642&category=News>

Russia Says Oil Output to Stagnate by 2011

http://www.rigzone.com/news/article.asp?a_id=65743

Mexico's January-July Oil Output Down to 2.85 Million b/d

http://www.rigzone.com/news/article.asp?a_id=65774

Chevron Applies to Build Base Oil Facility at Pascagoula Refinery

<http://www.downstreamtoday.com/News/Articles/200808/Chevron Applies to Build Base Oil Facili 12441.aspx>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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